



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Chris Hughey
Acting General Counsel

Kathleen Guith
Acting Associate General Counsel for Enforcement

BY: Roy Q. Lockett *RQL*
Acting Assistant General Counsel

Elena Paoli *ef* *RQL*
Attorney

SUBJECT: MUR 6447 (Steele for Maryland, Inc. and Michael Steele for Maryland) –
Pre-Probable Cause Conciliation

I. INTRODUCTION

Steele for Maryland, Inc. ("Federal Committee"), and Michael Steele for Maryland¹ ("State Committee"), the campaign committees of 2006 U.S. Senate candidate Michael Steele. Attachment 1. The agreement would settle the Federal Committee's violations of 2 U.S.C. § 441a(f) (accepting, some knowingly and willfully, excessive in-kind contributions); 11 C.F.R. § 110.4(c)(2) (knowingly and willfully accepting excessive cash contributions); and 2 U.S.C. § 434(b) (failing to accurately report receipts and disbursements). These violations occurred in connection with numerous in-kind and cash contributions made by Monica Turner, Steele's sister, to the Federal Committee during the 2006 campaign.² The agreement also settles the Federal and State committees' violations of 2 U.S.C. § 441i(e)(a)(A) and 11 C.F.R. § 110.3(d) (prohibited use of non-federal funds). These latter violations occurred when the State Committee paid for expenses incurred by the Federal Committee.

¹ The Commission originally made findings as to "Michael for Maryland." We learned that the State Committee's actual name is "Michael Steele for Maryland." The corrected name is noted in the signed conciliation agreement. See Attachment 1, p. 1.

² On March 1, 2011, the Commission accepted a conciliation agreement with Monica Turner and closed the file as to her.

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III. TAKE NO ACTION AS TO STEELE AND OTHERS

At the RTB stage, we recommended that the Commission make findings as to Michael Steele, in his individual capacity, regarding the State Committee's payment for services provided to the Federal Committee. We also recommended that the Commission take no action at the time regarding Steele's potential liability for accepting excessive contributions. The Commission determined to take no action at that time regarding either recommendation. we did not learn or receive any new information pertaining to or implicating Steele. Thus, we now recommend that the Commission take no action as to Michael Steele, in his individual capacity.

The Commission also determined to take no action at the time as to Paul Ellington and Belinda Cook, in her individual capacity, for their roles in having the State Committee pay the Federal Committee's bills. We did not learn or receive any new information pertaining to or implicating Ellington and Cook. Thus, we recommend that the Commission take no action as to Paul Ellington and Belinda Cook, in her individual capacity. We also recommend that the Commission close the file in MUR 6447.

RECOMMENDATIONS

1. Accept the attached conciliation agreement with Steele for Maryland, Inc., and Michael Steele, in his official capacity as treasurer, and Michael Steele for Maryland and Belinda Cook, in her official capacity as treasurer.
2. Take no action as to Michael Steele, in his individual capacity.
3. Take no action as to Paul Ellington.
4. Take no action as to Belinda Cook, in her individual capacity.
5. Approve the appropriate letters.
6. Close the file.

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